

The Department's opinion is that the most important element of selling is the seller's acceptance of the purchase order. Consequently, if a purchase order is accepted in a jurisdiction that imposes a local tax, that tax will be incurred. See 86 Ill. Adm. Code 270.115. (This is a GIL).

January 6, 2003

Dear Xxxxx:

This letter is in response to your letter of October 7, 2002. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be found on the Department's website at [www.revenue.state.il.us/Laws/regs/part1200/](http://www.revenue.state.il.us/Laws/regs/part1200/).

In your letter, you have stated and made inquiry as follows:

This office represents the Village, site of EVENT. However, the Club is not within the boundaries of VILLAGE. Therefore, the Village would not get any of the sales tax revenue from the dollars in sales which are anticipated to be associated with this event.

The Village has been working with the Club to address this issue. One proposed solution is for the SPONSOR, to open up a satellite office somewhere within VILLAGE for the purpose of handling all sales associated with the EVENT. Please understand the sales themselves would take place at the Club, but would be 'booked' to the VILLAGE SPONSOR office. The Village requests a private letter ruling pursuant to Section 1200.110 of the Department of Revenue regulations answering the question of whether, under, the above-described circumstances, the Illinois Department of Revenue would then recognize such sales as originating in VILLAGE.

There are no contracts, licenses, agreements, instruments or other documents relevant to the request.

The tax period at issue will be the 2003 tax year. Neither an audit nor litigation is currently pending with the Department.

To the best of both the Village's and the undersigned's knowledge, the Department has not previously ruled on the same or a similar issue for the Village. To the best of both the Village's and the undersigned's knowledge, neither the Village nor a representative of the Village has previously submitted the same or a similar issue to the Department.

Neither the Village nor the undersigned is aware of any authorities which are supportive or contrary to the taxpayer's views.

There is no specific trade secret information which the Village is requesting be deleted from the publicly disseminated version of the private letter ruling.

Should you require any additional information in order to consider this issue, please do not hesitate to contact me.

For your general information, please see the enclosed copy of Sec. 270.115 of the Home Rule Municipal Retailers' Occupation Tax for guidance concerning jurisdictional questions. In general, the imposition of the various sales tax related local taxes in Illinois are triggered when "selling" occurs in a jurisdiction imposing a tax. The Department's opinion is that the most important element of selling is the seller's acceptance of the purchase order. Consequently, if a purchase order is accepted in a jurisdiction that imposes a local tax, that tax will be incurred. See 86 Ill. Adm. Code 270.115.

The tax rate is fixed by the location of the seller, not the delivery location. The fact that the item being sold is shipped from out-of-State or from another Illinois location is immaterial for purposes of local taxes if the sale occurs through order acceptance in an Illinois jurisdiction imposing a local tax. For these transactions the local tax will be incurred. Although 86 Ill. Adm. Code 270.115 deals with the municipal Home-Rule taxes, the principles outlined in this regulation apply to all local taxes administered by the Department.

If a purchase order is accepted outside the State, but the property being sold is located in an Illinois jurisdiction that has imposed a local tax (see, for example, Section 270.115(b)(3)), then the location of the property at the time of sale will determine where the seller is engaged in business for the purpose of determining the imposition of applicable local sales taxes.

There is not enough information in your letter to determine if the situation you describe would result in VILLAGE's tax rate applying to sales by the SPONSOR. Cash sales would be taxed at the location where the sale occurred.

I hope this information is helpful. The Department of Revenue maintains a website, which can be accessed at [www.revenue.state.il.us](http://www.revenue.state.il.us). If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis  
Associate Counsel

MAJ:mks  
Enc.